

Cable System Channel Line-Up
Effective 7/5/93

Premium Services

Cable Channel

Network

10

RQ

Request Television Pay-Per-View

14

HBO

Home Box Office

15

ENC

Encore

16

SHO

Showtime

17

DIS

The Disney Channel

21

MAX

Cinemax

22

SC

Sports Channel

37

SCA

Sports Channel America

97 or 56, 62,

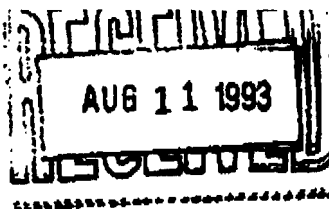
73, 98

TMC

The Movie Channel



TCI of Northern New Jersey



We're taking television
into tomorrow.

August 9, 1993

Mr. Sun Young Joo
General Manager
WMBC-TV
PO Box 156
500 Weldon Road
Lake Hopatcong, NJ 07849-0156

Dear Mr. Joo:

This letter serves to advise you that as of August 31, 1993, TCI of Northern New Jersey will be expanding our channel line-up to over 50 channels of programming.

As part of this expansion, we will be relocating WMBC-TV from channel 95 to 10. Please adjust your records accordingly.

If you have any questions, please feel free to contact me at (201) 337-1550.

Sincerely,

TCI OF NORTHERN NEW JERSEY

A handwritten signature in cursive script that reads 'Gary Shaw'.

Gary Shaw
Community Affairs Coordinator

GS/lm

cc: David Capo



TCI of Northern
New Jersey

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Cable System Channel Line-up Effective July 5, 1993

Broadcast Basic CHANNEL

2
4
5
7
*8
*9
10
11
12
13
18/F
20/G
95 or 54, 64, 71, 98
96 or 55, 63, 72, 97
98 or 57, 61, 0
99 or 1, 49, 58, 60

STATION

WCBS-TV New York
WNBC-TV New York
WNYW-TV New York
WABC-TV New York
WNJM-TV Montclair (M-F 8:30am-12am, Sat. & Sun. 9am-12am)**
TC- Travel Channel (12am-9am)**
WWOR-TV Secaucus
CIC- Customer Information Center (7pm-9pm)**
WPIX-TV New York
WNYC-TV New York
WNET-TV Newark
PAC- Public Access
PAC- Public Access
WMBC-TV Newton
WLIW-TV Garden City
WXTV-TV Paterson
WNJU-TV Linden

Expanded Basic CHANNEL

3
6
18/E
*22/J
*23/J
*23/J
24/K
*25/L
*25/L
26/M
27/N
*28/O
*28/O

*29/P
*29/P
*30/Q
*30/Q
*30/Q
31/R
32/S
*33/T
*33/T
34/U
35/V
36/W
*67

STATION

CSN C-SPAN
WTBS-TV Atlanta
QVC Shopping Network
EWTN Eternal Word Television Network (3am-6pm)**
LP- Local Programming (8am-6pm)
A&E Arts & Entertainment (6pm-8pm)
FAM- The Family Channel
CNBC- Consumer News & Business Channel (M-F 8am-7pm, Sat. & Sun. 6am-12pm)**
MSG- Madison Square Garden Network (M-F 7pm-2am, Sat. & Sun. 12pm-2am)**
TNT Turner Network Television
USA- USA Network
AMC- American Movie Classics (M-F 3pm-4:30am, Sat. & Sun. 1pm-7:30am)**
HSN- Home Shopping (T-F 4:30am-3pm, Sat. 4:30am-1pm, Sun. 7:30am-1pm, M 7:30am-3pm)**

DSC- The Discovery Channel (9am-3am)
CM- Cable Marketplace (3am-9am)
TNN- The Nashville Network (9am-3am)
CM- Cable Marketplace (3am-7am)
VH-1- Video Hits One (7am-9am)
ESPN ESPN
CNN- Cable News Network
NIK- Nickelodeon (may be preempted by MSG II)**
MSG II whenever necessary
LIF- Lifetime
TWC- The Weather Channel
MTV- Music Television
GTH- Cable Television Network of NJ (6am-6pm)**

Premium Services CHANNEL

14/A
15/B
16/C
17/D
21/H
*22/A
37
97 or 50, 62, 79, 90

STATION

HO- Home Box Office
ENC- Encore
SHO- Showtime
DIS- The Disney Channel
MAX- Cinemax
SO- Sports Channel (6pm-3am)**
SCA- Sports Channel America (6pm-6am)**
TH- The Movie Channel

Subject to change without notice.

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TCI of Northern New Jersey

October 4, 1993

VIA CERTIFIED MAIL

Mr. Sun Young Joo
General Manager
WMBC-TV
PO Box 156
500 Weldon Road
Lake Hopatcong, NJ 07849-0156

Dear Mr. Joo:

It has come to our attention that WMBC-TV is not entirely local to TCI of Northern New Jersey's cable system. The communities of Alpine, Bogota, Garfield, Hackensack, Hasbrouck Heights, Hillsdale, Lodi, Maywood, Nutley, Paramus, Park Ridge, Passaic, River Edge, Rochelle Park, South Hackensack, Saddle Brook, Teaneck, Westwood and Wood-Ridge are not in the Newton, NJ market. This accounts for approximately 39% of our system. Since our system is within a top 50 market, WMBC-TV is only local to communities within 35 miles of Newton. Thus, for 39% of our system WMBC-TV is a distant signal and as a result subject to FCC copyright liability. We have estimated that the copyright cost for the current must carry election period is approximately \$339,804.00.

If you agree to indemnify TCI of Northern New Jersey for any copyright fees associated with carriage of your signal, sign an indemnification agreement in the form attached, and provide a performance bond, letter of credit, or other financial instrument, WMBC-TV could then remain on our system in the towns identified above. Otherwise, we will need to delete WMBC-TV from these areas.

If you have any further questions, please contact me at your convenience.

Very truly yours,

TCI OF NORTHERN NEW JERSEY

A handwritten signature in dark ink, appearing to read "Henry A. Magers".

Henry A. Magers
State System Manager

GS/lm

FLEISCHMAN AND WALSH

ATTORNEYS AT LAW

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

AARON I. FLEISCHMAN

FLEISCHMAN AND WALSH, P. C.

CHARLES S. WALSH

ARTHUR M. HARDING

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RICHARD RUBIN

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PETER T. NOONE*

1400 SIXTEENTH STREET, N.W.
WASHINGTON, D. C. 20036

(202) 939-7800

FACSIMILE (202) 745-0910

October 29, 1993

*MASSACHUSETTS BAR ONLY

*NEW JERSEY AND NEW YORK BARS ONLY

BY CERTIFIED MAIL

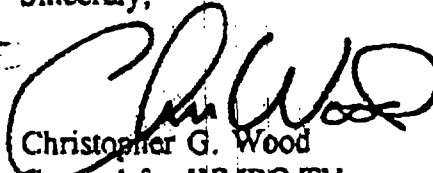
Mr. Henry A. Magers
State Systems Manager
TCI of Northern New Jersey
40 Potash Road
Oakland, New Jersey 07436

Dear Mr. Magers:

This will respond to your letter dated October 4, 1993, to Mr. Sun Young Joo, the General Manager of WMBC-TV, Newton, New Jersey. Your letter states that 19 communities served by TCI of Northern New Jersey's cable system, representing 39 percent of that system, are not "local" (within 35 miles of Newton) for copyright liability purposes. Please be advised that WMBC-TV is not willing to indemnify TCI for communities which are not local at this time. However, WMBC-TV is obviously entitled to continued carriage with respect to the remaining communities which are local for copyright purposes. WMBC-TV reserves the right to request carriage with respect to the 19 nonlocal communities should their copyright status change in the future.

WMBC-TV appreciates your continued cooperation in this matter. Please call me if you should have any questions concerning this letter.

Sincerely,


Christopher G. Wood
Counsel for WMBC-TV

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into tomorrow.



TCI of Northern New Jersey

December 7, 1993

VIA CERTIFIED MAIL

Mr. Sun Young Joo
General Manager
WMBC-TV
PO Box 156
500 Weldon Road
Lake Hopatcong, NJ 07849-0156

Dear Mr. Joo:

This letter will serve as notification that as of December 31, 1993, we will be removing your television station from our cable system in Oakland, New Jersey.

As previously noted, WMBC-TV is not entirely local for copyright purposes. At the present time you have indicated that you will not indemnify TCI of Northern New Jersey for any copyright increase. Based on your decision we have decided to delete your station's signal on December 31, 1993.

We have enjoyed the past working relationship with your station. Perhaps some programming arrangements that would make sense for both of us could be arranged at some future time.

Sincerely yours,

TCI OF NORTHERN NEW JERSEY

Henry A. Magers
State/System Manager

HAM/lm

cc: Christopher G. Wood

FLEISCHMAN AND WALSH

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1400 SIXTEENTH STREET, N. W.
WASHINGTON, D. C. 20036

(202) 939-7900
FACSIMILE (202) 745-0916

December 13, 1993

* NEW YORK AND NEW JERSEY BARS ONLY

BY CERTIFIED MAIL

Mr. Henry A. Magers
State Systems Manager
TCI of Northern New Jersey
40 Potash Road
Oakland, New Jersey 07436

Dear Mr. Magers:

I am writing in response to your December 7, 1993 notification to Mr. Sun Young Joo that carriage of WMBC-TV will be discontinued entirely on TCI's Northern New Jersey system (the "System") as of December 31, 1993. By letter dated October 4, 1993, you advised Mr. Joo that several cable communities lay outside the System's 35 mile zone for copyright purposes. You further advised that absent indemnification from WMBC-TV for distant signal liability, you would delete WMBC-TV from those specific communities. By letter dated October 29, 1993, I responded that WMBC-TV was not willing to indemnify TCI for distant signal copyright liability for communities which are not local, and thus requested carriage only with respect to the specific communities which are local for copyright purposes. Contrary to your original letter, however, you now advise that WMBC-TV's signal will be discontinued from carriage on the entire System.

Please advise me whether TCI is technically able to tailor carriage of a broadcast signal to only particular communities, and if so, how. In particular, can a signal be overridden at the hub site? Although a member of WMBC-TV's staff requested this information from TCI's engineering staff, it has never been provided. In this regard, I understand that TCI's system carries a service which is much like a broadcast station, OBC-TV, which is available only in certain cable communities. Please explain how carriage of

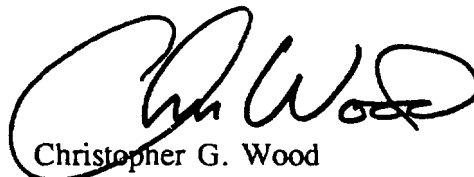
Mr. Henry A. Magers
December 13, 1993
Page 2

this service is tailored to particular communities, and why the same technical approach would not be available for carriage of WMBC-TV.

I also understand that TCI's System is divided into various service zones. Please advise me if it is technically possible to carry WMBC-TV in particular zones where little or no copyright liability will be incurred, but not other zones (for example, each zone appears to have its own access facility). If this is the case, please provide me with an estimate of copyright liability for each zone. In particular, are there any zones in which TCI would incur no distant signal copyright liability for carriage of WMBC-TV? In this regard, I note that WMBC-TV is a distant signal in only one cable community in Essex County (Nutley), one in Passaic County (Passaic), and no community in Morris County.

Given that you intend to delete the signal of WMBC-TV in just three weeks, I ask that you provide this information immediately.

Sincerely,



Christopher G. Wood

cc: Steven Horvitz, Esq. (by telecopier)

COLE, RAYWID & BRAVERMAN

ATTORNEYS AT LAW

SECOND FLOOR

1919 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-3458

(202) 659-9750

ALAN RAYWID
(1930-1991)

CABLE ADDRESS
"CRAB"

TELECOPIER
(202) 452-0067

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ROBERT L. JAMES
JOSEPH R. REIFER
FRANCES J. CHETWYND
JOHN D. SEIVER
WESLEY R. HEPPLER
PAUL GUST
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BENJAMIN E. GOLANT

* ADMITTED IN PENNSYLVANIA ONLY

December 22, 1993

Christopher G. Wood
Fleischman And Walsh
1400 Sixteenth Street, N.W.
Washington, D.C. 20036

Re: WMBC

Dear Chris:

I am writing to follow-up our discussions about the possibility of partial carriage on the cable system operated by TCI of Northern New Jersey. TCI does not believe it is legally required to make such an accommodation, but is responding here in the spirit of cooperation.

As I reported previously, there are four hub sites (Cedar Grove, Pequannock, Pompton Lakes, and Wayne) which serve communities that are entirely "local" to WMBC. These four hubs serve a total of about 75,500 subscribers. It is my understanding that there are another 120,000 system subscribers served through three other hubs.

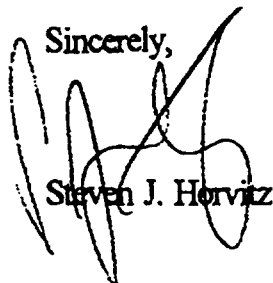
I have not had the opportunity to discuss the specifics, but it is my understanding that it would cost roughly \$70,000 to accommodate your latest partial carriage request. Given the pendency of your market redesignation petition, I have no idea whether your client would be at all interested in pursuing this interim approach and the related costs. If there is a real interest, please let me know.

At the current time, we do not believe TCI of Northern New Jersey has any choice but to drop WMBC prior to January 1 (unless WMBC wishes to indemnify TCI for copyright costs). Even if your client were willing to incur the engineering costs, it does not

Christopher G. Wood
December 22, 1993
Page -2-

appear possible to implement the necessary changes prior to the beginning of the next copyright accounting period. The decision to drop the signal prior to January 1 does not, however, preclude TCI from restoring the signal during the accounting period.

Sincerely,

A handwritten signature in black ink, appearing to be "S. Horvitz", written over the printed name.

Steven J. Horvitz

FLEISCHMAN AND WALSH

ATTORNEYS AT LAW
A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

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WASHINGTON, D. C. 20036

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FACSIMILE (202) 745-0916

December 28, 1993

* NEW YORK AND NEW JERSEY BARS ONLY

**BY TELECOPIER (202/452-0067)
AND CERTIFIED MAIL**

Steven J. Horvitz, Esq.
Cole, Raywid & Braverman
1919 Pennsylvania Avenue, N.W.
Washington, D.C. 20006-3458

Dear Steve:

This will respond to your letter dated December 22, 1993, with respect to WMBC-TV's request for continuing carriage on the TCI of Northern New Jersey cable system. You claim, with little explanation, that partial carriage of WMBC-TV, as requested by the station, would cost "roughly \$70,000." Given TCI's plans to discontinue carriage of WMBC-TV in just four days, I believe that our client is entitled to more detailed responses to all of its requests for information immediately.

First please provide me with a detailed breakdown of all of the costs your \$70,000 total estimate represents. Furthermore, if four hubsites serve communities which are entirely "local" to Newton, New Jersey for copyright purposes, as you admit, why couldn't TCI carry WMBC-TV only with respect to communities served by these four hubsites without incurring any additional expense? Alternatively, if additional expenses would be incurred from carriage to such communities, please provide me with a detailed breakdown.

Second, I note that the October 4, 1993 letter from TCI's State System Manager to WMBC-TV's President (attached) stated that, without indemnification, the system would delete the station only from those areas which are not local. That letter did not indicate any technical limitations requiring that WMBC-TV be deleted from the entire system. Nor did

Steven J. Horvitz, Esq.
December 28, 1993
Page 2

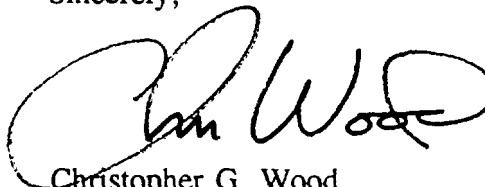
that letter indicate any need for TCI to incur \$70,000 in expenses to continue carrying WMBC-TV only to local communities. Please explain this apparent inconsistency.

Further, the State System Manager's letter indicates that Passaic and Nutley are "not entirely local." Because these cable communities lie partly within the Newton 35 mile zone, however, TCI would not incur any distant signal liability for carriage of WMBC-TV to them. As I am sure you are aware, a signal is local for copyright purposes if its 35-mile zone encompasses the cable community in whole or in part. Thus, it would appear that all of the communities in three of the four counties served by TCI (Passaic, Morris and Essex) are local for copyright purposes. Accordingly, please indicate whether your \$70,000 estimate included costs associated with serving Passaic and Nutley. If so, please revise your estimated costs accordingly.

Finally, my letter of December 13, 1993 specifically asked whether TCI is technically able to tailor carriage of a broadcast signal to only particular communities, and if so, how. In particular, I asked whether a signal could be overridden at the hub site. Although a member of WMBC-TV's staff requested this information from TCI's engineering staff some time ago, it still has not been provided. In addition, my letter sought an explanation as to how carriage of the broadcast-like service OBC-TV is tailored to particular communities, and why the same technical approach would not be available for carriage of WMBC-TV.

Our client has been extremely patient in waiting for a full response from TCI concerning vital technical and copyright information related to its carriage request. Nevertheless, if a response to its inquiries is not forthcoming immediately, it will be forced to file a complaint at the FCC to enforce its must-carry rights.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Wood", written over a large, stylized circular flourish.

Christopher G. Wood
Counsel for WMBC-TV

COLE, RAYWID & BRAVERMAN

ATTORNEYS AT LAW

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December 30, 1993

* ADMITTED IN PENNSYLVANIA ONLY

Christopher G. Wood
Fleischman And Walsh
1400 Sixteenth Street, N.W.
Washington, D.C. 20036

Re: WMBC Cable Carriage

Dear Chris:

I was disappointed after our pleasant phone conversation this week to receive your latest letters regarding WMBC. I am not an engineer, but it seems to me that both Suburban and TCI have made reasonable proposals to resolve the various signal quality and copyright problems WMBC faces. Rather than attempting to move this forward, your letters continue to express skepticism and hostility. It remains unclear what you intend to do with all the information you request. For example, assuming the operators itemize the cost estimates they have already provided, is your client prepared to pay them?

I have previously requested that your client meet directly with Suburban and TCI to resolve this matter. Suburban's General Manager, Frank DeJoy, assured me yesterday that he, and appropriate staff, would meet with WMBC to explain Suburban's signal carriage problem and its proposed solution. He is otherwise strongly opposed to spending additional legal, engineering, and administrative resources on this matter and is prepared to withdraw his proposal, if your client is not seriously interested. I must say I was surprised by your suggestion that Suburban agree to "winter" carriage while the pending copyright issue is resolved. Your proposal illogically mixes together the signal quality and copyright issues and ignores the fact that I had already told you that Suburban would not accept an arrangement where it would not be assured an adequate signal on a year round basis. I am also surprised your client is not enthusiastic about the opportunity to secure widespread carriage in the very near future.

Christopher G. Wood
December 30, 1993
Page -2-

Although I did speak to TCI, the staff member best able to respond to your inquiries was unavailable this week. I may be prepared to give you some additional information next week, although (as already explained) I think a meeting among the principals is a more logical approach.

For the record, you should not link Suburban and TCI together. Each operator is prepared to handle this matter separately. As I am sure you understand, I join them together in this correspondence only for my own convenience.

Sincerely,



Steven J. Horvitz

COLE, RAYWID & BRAVERMAN

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January 11, 1994

* ADMITTED IN PENNSYLVANIA ONLY

Christopher G. Wood
Fleischman And Walsh
1400 Sixteenth Street, N.W.
Washington, D.C. 20036

Dear Chris:

I am writing to follow up on your letter of December 28, 1993, regarding TCI's carriage of WMBC. In particular, I will attempt to briefly explain why TCI cannot, as a technical matter, provide partial carriage to WMBC at no additional cost.

As I understand it, all of the channels delivered on TCI of Northern New Jersey's cable system originate at the Oakland headend. From the Oakland headend, the signals are sent to three fiber hubs via a single common high power laser. In order to send a second channel (WMBC) along with the existing channel to the individual hubs, a second laser must be employed. A channel deletion filter would then be used on the output of the main fiber receiver, to allow a second channel to be inserted in place of the main channel.

Once the signal is at a fiber hub, it can be directed to each subheadend as required. For example, the Clifton fiber hub feeds both the Clifton subheadend and the Cedar Grove subheadend. Thus, WMBC's signal would have to be delivered to the Clifton fiber hub via the second laser. It would then have to be directed to only the Cedar Grove subheadend, since the Clifton hub is not entirely local WMBC-TV (even with the inclusion of Passaic and Nutley as local towns). The extra costs incurred with WMBC-TV thus centers on the delivery of its signal from TCI's antenna site to the Oakland Headend and then to the Clifton and Pompton fiber hubs.

Christopher G. Wood
January 11, 1994
Page -2-

I have been informed that your client previously agreed to reimburse TCI of Northern New Jersey for the costs of securing the WMBC signal at TCI's initial antenna receive site. See Attachment A. Although TCI has not billed WMBC for those charges, they are as follows:

- Ch. 63 Antenna, Lead-In Cable Parts and Tower Labor	\$ 2,650
- Ch. 63 Demodulator	\$ 3,000
- FM Modulator	\$ 2,850
- FM Demodulator	\$ 2,850
- Ch. 10 Modulator	<u>\$ 2,500</u>
	\$13,850

The additional engineering costs involved in transmitting WMBC to the relevant hub sites include the following:

- Laser Transmitter (to Clifton)	\$10,500
- Laser Transmitter (to Pompton Lakes)	\$10,500
- Laser Transmitter (Spare)	\$10,500
- Laser Receiver (Clifton)	\$ 2,770
- Laser Receiver (Pompton Lakes)	\$ 2,770
- Laser Receiver (Spare)	\$ 2,770
- Ch. 10 Deletion Filter (Clifton)	\$ 1,100
- Ch. 10 Deletion Filter (Pompton Lakes)	\$ 1,100
- Ch. 10 Deletion Filter (Spare)	\$ 1,100
- Fiber Material and Headend Wiring, Parts, Misc.	\$ 4,000
- Labor Including Fiber Splicing	<u>\$ 2,500</u>
	\$49,610

In addition, TCI's costs to deliver an alternative signal to replace WMBC in the "distant" communities would be as follows:

- Satellite Receiver	\$ 1,500
- BTSC Encoder w/ SAP	\$ 1,230
- Audio Rider Module - AGC Unit	\$ 375

Christopher G. Wood
January 11, 1994
Page -3-

- Ch. 10 Modulator	\$ 2,500
- Wiring Patches, Connectors, etc.	\$ 1,000
- Labor	<u>\$ 750</u>
	\$ 7,355

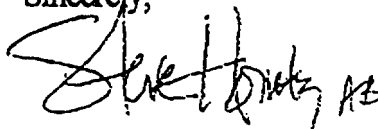
As you can see, all of these costs together equal the \$70,000 estimate previously provided.

Finally, I should note that the only exception to the signal delivery system described above concerns channels 19 and 20, which are local access channels. I must repeat, however, what I previously have told you over the phone — OBC is a local access channel that cannot be compared to WMBC. The OBC signal travels from a local studio through the reverse cable to the relevant subheadend. The approach is unworkable for WMBC, which does not have a direct local input into the relevant subheadends.

I am not an engineer, but I believe this letter accurately describes the TCI situation. Once again, I urge your client to meet directly with TCI staff if he has any questions or is at all interested in pursuing this matter. While a discussion of WMBC's responsibility for all the referenced costs and some modest modification of these costs is possible, there is no point in TCI spending additional engineering and legal costs on this matter if your client has no intention of paying any significant sum to ensure prompt partial carriage.

I trust you understand that TCI has attempted to respond in a reasonable fashion. I would, of course, appreciate it if you would keep me informed as to how your client would like to proceed.

Sincerely,



Steven J. Horvitz

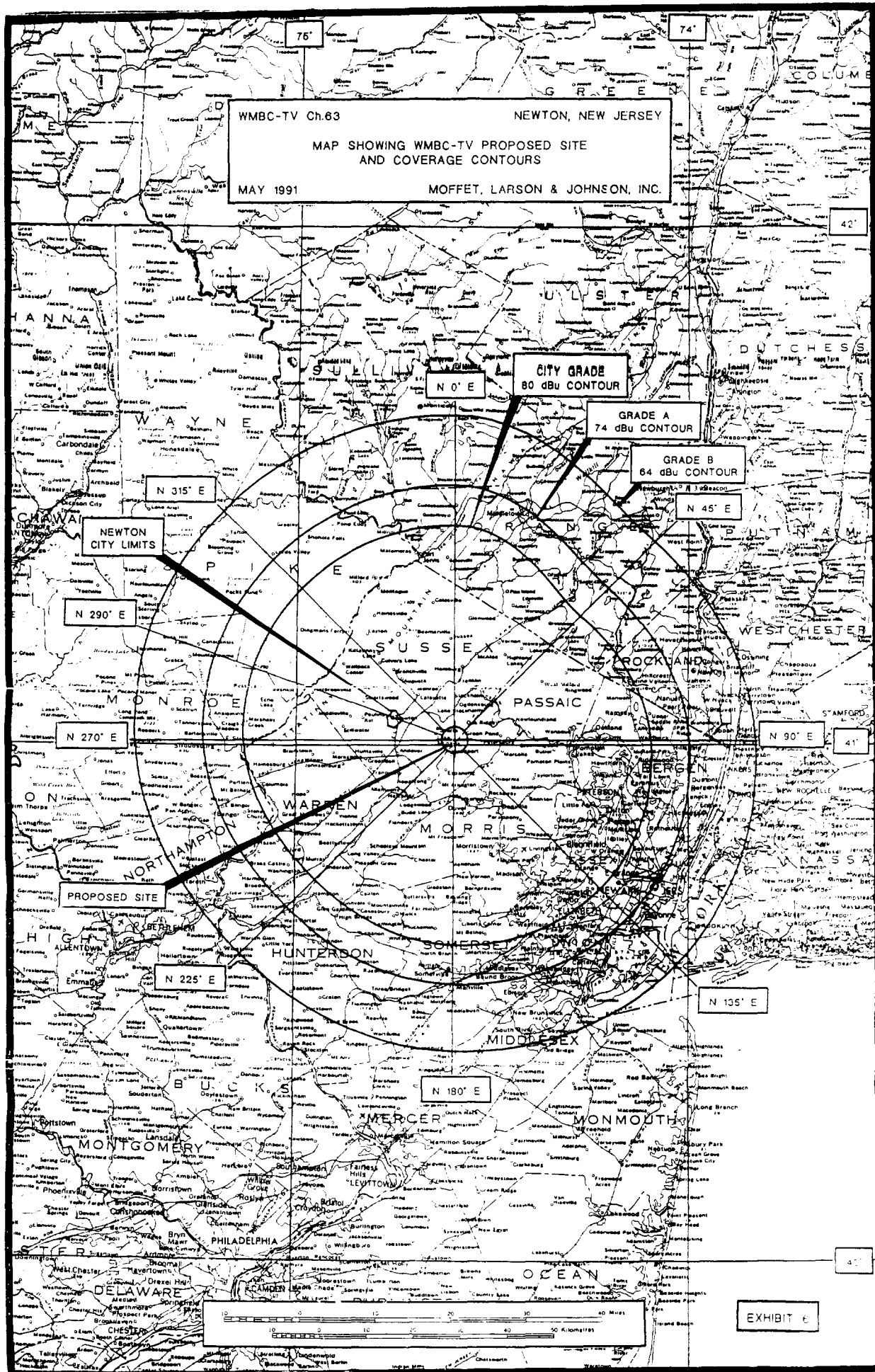
cc: Gary Shaw

B

MUNICIPALITIES IN WHICH TCI-NNJ CARRIED WMBC-TV
(BY COUNTIES)

<u>Bergen</u>	<u>Passaic</u>	<u>Morris</u>	<u>Essex</u>
*Alpine	Bloomington	Butler	Cedar Grove
Allendale	Clifton	Kinnelon	N. Caldwell
*Bogota	Haledon	Lincoln Park	+*Nutley
Elmwood Park	Hawthorne	Montville	
Franklin Lakes	Little Falls	Pequannock	
*Garfield	North Haledon	Riverdale	
Glen Rock	+*Passaic		
*Hackensack	Pompton Lakes		
*Hasbrouck	Prospect Park		
Heights	Ringwood		
*Hillsdale	Totowa		
Ho-Ho-Kus	Wanaque		
*Lodi	Wayne		
*Maywood	West Paterson		
Midland Park			
Oakland			
+*Paramus			
*Park Ridge			
Ramsey			
Ridgewood			
*River Edge			
*Rochelle Park			
+*Saddle Brook			
*South			
Hackensack			
*Teaneck			
Upper Saddle			
River			
Waldwick			
Washington			
Township			
*Westwood			
*Wood-Ridge			
Wyckoff			

* -- Outside of 35-mile zone of WMBC-TV
 +* -- Partly within 35-mile zone of WMBC-TV



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

November 16, 1993

IN REPLY REFER TO:

LOI-93-20

John C. Malone
President and Chief Executive Officer
Tele-Communications, Inc.
Terrace Tower II
5619 DTC Parkway
Englewood, Colorado 80111-3000

Dear Mr. Malone:

This is a letter of inquiry concerning the attached memorandum received by this office dated August 20, 1993 from Barry Marshall of Telecommunications, Inc., Englewood, Colorado, to System Managers, State Managers, and Division Vice Presidents.

Section 623 of the Cable Act of 1992 authorizes the Commission to establish regulations governing rates for regulated cable services. Section 76.922 of the Commission's rules establishes the requirements for determining permitted programming service charges. Section 76.923 of the Commission's rules establishes the requirements for determining the charges, based on actual costs, for equipment and installation services, including, but not limited to, charges for lease and installation of converter boxes, remote control units, connections for additional receivers, and other cable home wiring. FCC Form 393, in turn, prescribes in detail the instructions for determining programming service and equipment charges as of the initial date of regulation pursuant to those rule sections. That form prescribes the methodology for the comparison of rates to the benchmark as of the initial date of regulation and the development of permitted initial per channel rates across all tiers. In particular, equipment revenues are combined with programming service rates for purposes of developing an average per channel rate across all tiers that is then compared to the benchmark. Equipment and installation revenues based on rates developed in accordance with Section 76.923 of the rules are subtracted from average per channel rates for purposes of developing final programming service charges. Section 623(h) of the Cable Act of 1992 directs the Commission to prevent evasions of rate regulation.

TCI is directed to demonstrate that any new equipment and installation charges referenced in Mr. Marshall's memorandum, and any related programming service charges, comply with the Commission's rules and the instructions contained in FCC Form 393. In particular, TCI is directed to provide a detailed description of the methodology used to develop charges for the

services indicated in the memorandum.

TCI also is directed to provide, for a representative system, a general description, with supporting documentation, of the development by TCI of regulated equipment, installation, and programming service charges. In this regard, TCI is required to submit a completed FCC Form 393 for the services provided by the representative system. TCI is directed to provide this information for this representative system with respect to rates in effect both before and after rate and service restructurings intended to comply with rate regulations that became effective September 1, 1993.

TCI is directed to provide a list of the systems, with community unit identification numbers, that were, or could have been, subject to the rate-setting procedures described in the above-referenced memorandum.

The foregoing information will enable this office to determine whether a further investigation, or enforcement action, should be initiated concerning development by TCI of regulated equipment and/or service charges. This information may additionally be shared with local franchising authorities. TCI is directed to provide this information within thirty days of the date of this letter.

Sincerely,



Roy J. Stewart
Chief, Mass Media Bureau

E